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## Aid excites business owners in city's 'empowerment zone'

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It's 15 degrees outside and U.S. Rep. Ernest Istook's breath is still visible as he steps inside a custom motorcycle shop in south Oklahoma City.

The owner, talking choppers with a customer, looks incredulously at the overdressed entourage.

"What are you selling?" he asks.

"Nothing," Istook replied.

Then Istook, R-Warr Acres, says, half-kidding: "I'm from the government, and I'm here to help you. Do you believe that?"

What Istook is promoting rather than selling is free money for businesses. Actually, it's their own money the businesses will be able to keep because of a federal "empowerment zone" designation Oklahoma City received for 20 square miles of urban areas in need of development.

"This is hundreds of millions of dollars, potentially ... a terrific opportunity to build areas that need it," Istook said. "This will be one of the most important economic growth engines in Oklahoma City."

In January 2002, Oklahoma City and six other urban areas nationwide were named Housing and Urban Development Department empowerment zones. Businesses in the zones can qualify for millions of dollars in tax-exempt bond financing or refunds on a percentage of salaries, and low-interest loans.

The most visible benefit allows businesses in the zone to claim tax credits of up to 3,000 per worker who lives in the zone, each year through 2009.

It's money, Joe Mendoza said, that will make his job easier - encouraging businesses to fill vacant retail space along Commerce Street in south Oklahoma City.

"That's a big chunk of money," said Mendoza, executive director of Capitol Hill Main Street.

The program already has people interested in investing in the empowerment zone.

"We are starting to get a lot of calls," he said.

Istook said awareness of the program among businesses it could benefit is spotty.

"Some already are planning to take advantage, others wanted to find out more, others don't know anything about it."

Lynette Stroebele, co-owner of a Commerce Street business that trains nursing assistants and helps them find jobs in nursing homes, was already aware of the program.

"The tax credit is wonderful," she said. "It saves me a lot of money. We can put lots of people to work."

A few doors down, Rosa Hernandez listened to Mendoza explain the program in Spanish, as a few English-only visitors recognize the words "taxes" and "empowerment zone."

Hernandez speaks enough English to say the credit might help the small La Regiomontana bar and grill she opened two weeks ago.

"I will hire more people," she said.

Said Istook, "It's nice when you turn over a rock and find 3,000."

At Budget Foods, manager Bill Fichtler said owners got a notice in the mail, checked employee addresses and found the store will benefit.

"It's going to work out great."

Jerry Simms, who owns Jaime's Grill on the Hill with his wife, said he researched the deal and found he can claim the credit for two employees.

Budget Foods also benefited from another similar federal program begun in 1994 that remains in effect in the same zone. That program provided low-interest loans for small businesses, Oklahoma City Planner Steve Rhodes said.

The new program has more potential because "it's more wide-ranging because more businesses can take advantage," he said.

It can help residents of the zones, supporters say, by allowing businesses to hire more people and even pay higher wages. Also, it helps the self-esteem of workers whose residence in the zone allows employers to get that credit, said Rita Dodds, who works at a tool store in the empowerment area.

"Now we can hold our heads high and say we're finally important to someone," she said.

**GRAPHIC:** Lynette Stroebele talks on a telephone as she goes through her mail outside her business, CNA Pro 2000, on Commerce Street in south Oklahoma City. Her business, which trains nursing assistants and helps them find jobs in nursing homes, is in a federal "empowerment zone." - STAFF PHOTO BY JIM BECKEL

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